

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

UNITED STATES OF AMERICA

Criminal No: 3:20-583

v.

18 U.S.C. § 371
42 U.S.C. § 1320a-7b(b)

**JEFF CHARNOCK
STEVE LOWELL**

AMENDED INFORMATION

COUNT 1
(Conspiracy to Defraud the United States)

THE UNITED STATES ATTORNEY CHARGES:

1. The defendants, **JEFF CHARNOCK** and **STEVE LOWELL**, and others defrauded the United States, Medicare, the Civilian Health and Medical Program of the Department of Veteran's Affairs "hereinafter VA" "hereinafter CHAMPVA", and Medicare beneficiaries¹ through a fraudulent kickback scheme that placed profit over care.

Conspiracy

2. From at least in or around March 2015, and continuing up to April 2019, in the District of South Carolina and elsewhere, the defendant **JEFF CHARNOCK** and **STEVE LOWELL** and others knowingly and intentionally combined, conspired, confederated, agreed, and had a tacit understanding to:

¹ CHAMPVA is a federal health care program for certain spouse and children of permanently and totally disabled veterans or deceased veterans. For those Medicare beneficiaries with CHAMPVA benefits, Medicare is the first payer for claims submitted by providers and then CHAMPVA typically pays the remaining balance.

- a. knowingly defraud the United States by impairing, obstructing and defeating, and attempting to impair, obstruct, and defeat the lawful functions of the United States Department of Health and Human Services "hereinafter DHHS" and the VA in the administration of Medicare and CHAMPVA;
- b. knowingly offering and paying remuneration, including kickbacks, directly and indirectly, overtly and covertly, in cash and in kind, to any person to induce a person to refer an individual to a person for the furnishing and arranging for the furnishing of any item or service for which payment may be made in whole and in part under a Federal health care program, that is, Medicare and CHAMPVA, in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(A);
- c. knowingly offering and paying remuneration, including kickbacks and bribes, directly and indirectly, overtly and covertly, in cash and in kind, to any person to induce such person to purchase, and arrange for and recommend purchasing and ordering any good, for which payment may be made in whole and in part under a Federal health care program, that is, Medicare and CHAMPVA, in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(B).

Purpose of the Conspiracy

19. It was the purpose of the conspiracy for the defendant, **JEFF CHARNOCK and STEVE LOWELL**, and others to enrich themselves and maximize profits at the expense of the United States and patients by participating in the following scheme.

Manner and Means of the Conspiracy

20. The manner and means of the conspiracy operated substantially as follows and include, but were not limited to:

- a. Various DME companies in the scheme would hide ownership and controlling interests through the use of straw owners.
- b. The DME companies entered into agreements with offshore call centers, to purchase completed product orders so that the companies could bill Medicare and CHAMPVA. The product orders were documented and tracked through a website.
- c. The DME companies would receive a file transfer from the offshore call centers that included a physician's prescription, the Medicare patient's information, and the DME that was to be shipped to the patient.
- d. The DME companies would receive invoices that disguised the fact that what was being purchased was completed product order.
- e. To maximize doctors signing the prescriptions, patients were incentivized to use telemedicine doctors. The telemedicine doctors did not have relationship with the Medicare patients, and could not physically examine them.
- g. The scheme used drop ship companies to process the orders and ultimately ship the DME products to the Medicare patients. These dropship companies were paid by the DME companies participating in the scheme.
- h. The defendants, **JEFF CHARNOCK** and **STEVE LOWELL**, and the companies that they had ownership and control interests in, AM Rental Medical Equipment Company and Mobile Mobility, INC., which billed Medicare and CHAMPVA .

i. The defendants, **JEFF CHARNOCK** and **STEVE LOWELL**, owned the drop ship company Bentley Medical Products. This drop ship company facilitated the above described scheme through the shipment of products to Medicare patients. For this, Bentley Medical Products received payments from DME companies participating in the scheme.

Overt Acts

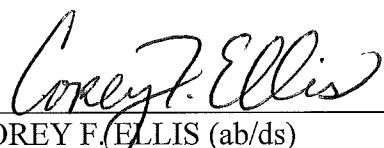
21. In furtherance of the conspiracy and to effect the conspiracy, the following overt acts, among others, were committed in the District of South Carolina;

- a. On or about August 26, 2016, **AM RENTAL MEDICAL EQUIPMENT, CORP.** billed Medicare \$1,304 for a Lumbar Sacral Orthosis, for Medicare patient J.L., claim number 16237721937000.
- b. On or about August 06, 2015, **MOBILE MOBILITY, INC.** billed Medicare \$1,310 for a Lumbar Sacral Orthosis, for Medicare patient H.G., claim number 15216722589000.
- c. On or about March 26, 2018, **BENTLEY MEDICAL PRODUCTS** shipped a Lumbar Sacral Orthosis utilizing common carrier FedEx to Medicare patient M.P. resulting in a Medicare claim submission, number 18089731225000, billing \$1,565.

Improper Benefit Obtained

22. The value of the improper benefit conferred upon Mr. Lowell as a result of the charged conspiracy is \$919,548. *See* U.S.S.G. § 2B4.1.

All in violation of Title 18, United States Code, Section 371.



COREY F. ELLIS (ab/ds)
UNITED STATES ATTORNEY